

**MINUTES OF THE STANDING COMMITTEE ON  
TAX POLICY**

**Tuesday, August 30, 2005**

**9:00 A.M.**

**Room 519 House Office Building**

**Chairman Sheen** called the meeting to order.

**MEMBERS PRESENT:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau, Condino, Bieda, Farrah, Zelenko, Miller, Meisner. (15/17)

**MEMBERS ABSENT/EXCUSED:** Reps. Newell, Bennett. (2/17)

**Representative Gosselin** moved to excuse absent members. **Representative Bieda** supported the motion. There being no objection, absent members were excused.

**Chairman Sheen** laid **HB 5106, HB 5107, HB 5108, HB 5095, HB 5096, HB 5097, HB 5098** and **HB 4980** before the committee.

HB 5106	Condino	Sales tax; exemptions; certain exemptions; eliminate.
HB 5107	Condino	Use tax; exemptions; certain exemptions; eliminate.
HB 5108	Sheen	Single business tax; rate; alternative tax rate and rate reduction; provide for and provide for a personal property tax credit, 100% sales apportionment factor, and eliminate health care addback.
HB 5095	Condino	Taxation; other; amnesty program; create and increase penalties for nonremittance.
HB 5096	Sheen	Taxation; other; specific tax on commercial rental property; create.
HB 5097	Sheen	Property tax; exemptions; commercial rental property; exempt, revise definition of additions and losses, and eliminate certain exemptions.
HB 5098	Condino	Single business tax; credit; corporate farm credit; eliminate, subject limited liability companies to small business credit income disqualifiers and other amendments.
HB 4980	Jones	Sales tax; exemptions; prisoner purchases; eliminate exemption.

**James Ryan**, representing the International Council of Shopping Centers, turned in a testimony card in support of **HB 5097** but did not wish to speak.

**David Newman**, representing the Michigan Department of Correction, turned in a testimony card in support of **HB 4980** but did not wish to speak.

**Marilyn Plummer**, representing the Michigan Assessors Association, turned in a testimony card in opposition to **HB 5096** and **HB 5097** but did not wish to speak.

**Joyce Foondle**, representing the Michigan Assessors Association, turned in a testimony card in opposition to **HB 5096** and **HB 5097** but did not wish to speak.

**Del Chenault**, representing the Building Owners and Managers Association, turned in a testimony card with a neutral position on the package of bills but did not wish to speak.

**Tom Hickson**, representing the Michigan Association of Counties, turned in a testimony card in support of **HB 5096** and **HB 5097** with amendments but did not wish to speak.

**Charles Owens**, representing the national Federation of Independent Business, turned in a testimony card in support of the package of bills but did not wish to speak.

**Tricia Kinley**, representing the Michigan Chamber of Commerce, turned in a testimony card in support of **HB 5106**, **HB 5107**, **HB 5108**, **HB 5095**, **HB 5098** and **HB 4980** but did not wish to speak.

**Tricia Kinley**, representing the Michigan Chamber of Commerce, turned in a testimony card in opposition to **HB 5096** and **HB 5097** but did not wish to speak.

**Andy Deloney**, representing the Michigan Restaurant Association, turned in a testimony card in support of the package of bills but did not wish to speak.

**Representative Meyer** moved to adopt the (H-1) substitute to **HB 5106**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the following amendment to **HB 5106 (H-1)**. **Representative Gosselin** supported the motion.

1. Amend page 3, following line 15, by inserting:  
“Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93<sup>rd</sup> Legislature are enacted into law:

- (a) House Bill No. 4980.
- (b) House Bill No. 5095.
- (c) House Bill No. 5096.
- (d) House Bill No. 5097.
- (e) House Bill No. 5098.
- (f) House Bill No. 5107.
- (g) House Bill No. 5108.”.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau, Bieda. (10/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Farrah, Zelenko, Miller, Meisner (5/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 5106** as an **(H-2)**, with recommendation.

**Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the **(H-1)** substitute to **HB 5107**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the following amendments to **HB 5107 (H-1)**.

**Representative Gosselin** supported the motion.

1. Amend page 5, line 20, after “which” by striking out “transaction a tax is paid” and inserting “**THE TRANSACTION WAS SUBJECT TO TAX**”.

2. Amend page 5, line 22, after “205.78” by striking out the balance of the sentence and inserting a period.

3. Amend page 9, line 27, after “week” by inserting a comma and “and a copyrighted motion picture film”.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

**Representative Meyer** moved to adopt the following amendment to **HB 5107 (H-1)**.

**Representative Gosselin** supported the motion.

1. Amend page 3, following line 15, by inserting:  
“Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93<sup>rd</sup> Legislature are enacted into law:

- (a) House Bill No. 4980.
- (b) House Bill No. 5095.
- (c) House Bill No. 5096.
- (d) House Bill No. 5097.
- (e) House Bill No. 5098.
- (f) House Bill No. 5106.
- (g) House Bill No. 5108.”.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 5107** as an **(H-2)**, with recommendation.

**Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the **(H-2)** substitute to **HB 5095**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 5095** as an **(H-2)**, with recommendation. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the **(H-2)** substitute to **HB 5096**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 5096** as an **(H-2)**, with recommendation. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the **(H-2)** substitute to **HB 5097**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 5097** as an **(H-2)**, with recommendation.

**Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the **(H-2)** substitute to **HB 5098**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 5098** as an **(H-2)**, with recommendation.

**Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the **(H-1)** substitute to **HB 4980**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Hoogendyk** moved to adopt the following amendment to **HB 4980 (H-1)**.

**Representative Gosselin** supported the motion.

1. Amend page 3, following line 15, by inserting:

“Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93<sup>rd</sup> Legislature are enacted into law:

- (a) House Bill No. 5095.
- (b) House Bill No. 5096.
- (c) House Bill No. 5097.
- (d) House Bill No. 5098.
- (e) House Bill No. 5106.
- (f) House Bill No. 5107.
- (g) House Bill No. 5108.”.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 4980** as an **(H-2)**, with recommendation.

**Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to adopt the **(H-1)** substitute to **HB 5108**. **Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** Reps. Condino, Bieda, Farrah, Zelenko, Miller, Meisner (6/17)

**PASS:** None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Meyer** moved to report **HB 5108** as an **(H-1)**, with recommendation.  
**Representative Gosselin** supported the motion.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Sheen, Meyer, Gosselin, Drolet, Palmer, Hoogendyk, Stakoe, Jones, Marleau. (9/17)

**NAYS:** Reps. Condino, Farrah, Zelenko, Miller, Meisner (5/17)

**PASS:** Rep. Bieda. (1/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Howard Heideman**, representing the Michigan Department of Treasury, testified before the committee in opposition to **HB 5106, HB 5107, HB 5108, HB 5095, HB 5096, HB 5097, HB 5098** and **HB 4980**

There being no further business before the committee, **Chairman Sheen** declared the meeting adjourned, the time being 10:15 a.m.

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Representative Fulton Sheen, Chair

Eric Esch, Committee Clerk (517) 373-0070